

**VIETNAM RUBBER GROUP  
INDUSTRIAL GROUP  
MDF VRG -QUANG TRI WOOD  
JOINT STOCK COMPANY**

No. ~~495~~<sup>195A</sup> MDFQT-TCKT

**SOCIALIST REPUBLIC OF VIETNAM**

Independence - Freedom - Happiness

Quang Tri, dated 30 July 2025

*"Regarding the explanation of the Financial  
Report for the first 6 months of 2025"*

**To: STATE SECURITIES COMMISSION  
HANOI STOCK EXCHANGE**

Pursuant to Points a, b, Clause 4, Article 14, Chapter III, Circular No.: 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding information disclosure on the Stock Market : "When disclosing financial reports specified in Clauses 1, 2, 3 of this Article, listed organizations and large-scale public companies must explain the reasons for changes of 10% or more in after-tax profit from corporate income in the business performance report of the reporting period compared to the same period last year, and vice versa, or a shift from loss to profit and vice versa."

MDF VRG - Quang Tri Wood Joint Stock Company would like to explain the business results for the first 6 months of 2025 compared to the same period last year as follows:

No.	Content	6 months 2025	6 months 2024	% Change
1	Total Revenue from sales and other income	426,037,357,429	462,859,188,180	-8%
2	Total expenses	423,929,111,387	469,469,882,253	-10%
3	Profit before tax	2,108,246,042	(6,610,694,073)	132%
4	Profit after tax	2,108,246,042	(6,610,694,073)	132%

The Company's after-tax profit from business production activities in the first 6 months of 2025 increased by 132% compared to the same period last year, from a loss of VND 6.61 billion in the first 6 months of 2024 to a profit of VND 2.1 billion in the first 6 months of 2025.

The main reasons are:

- Change in product structure to meet market demand, focusing on quality products.
- Although the total cost increased by 9% (an increase of 437,609 VND/m3) compared to the same period, the average selling price increased by 13% (an increase of 591,853 VND/m3) compared to the same period (from 4,625,931 VND/m3 in the first 6 months of 2024 to 5,217,785 VND/m3 in the first 6 months of 2025).
- Financial expenses decreased by 37% compared to the same period; borrowing interest rates in the first 6 months of 2024 ranged from 6% to 8%/year, while borrowing interest rates in the first 6 months of 2025 ranged from 5% to 5.1%/year.

In independent audit report No. 128/2025/BCSX-PB.00369 dated July 29, 2025, of AFC VIETNAM Auditing Co., Ltd., there was an adverse opinion with the content: "In



notes 5.7 and 5.18 of the Interim Financial Statements, the inventory shortage/surplus according to the inventory count results at August 15, 2023, and December 31, 2023, with amounts of VND 16,634,930,694 and VND 6,354,171,074 respectively, have not yet been approved and processed by the company's Board of Directors; therefore, we cannot estimate the impact of the above matter on the financial position and business performance of the Financial Statements for the 6-month accounting period ending June 30, 2025, of the Company."

Pursuant to Resolution No. 10/NQ-HĐQT.MDFQT dated April 16, 2024, of the Board of Directors of MDF VRG Quang Tri Wood Joint Stock Company, the company's leadership agreed to establish a Raw Material Inventory Discrepancy Handling Team under Decision No. 168/QĐ-MDF.QT dated May 20, 2024. This team's task was to analyze in detail the objective and subjective reasons for the discrepancy in raw material inventory value between actual and book records at the time of inventory count on August 15, 2023, and reported to the Board of Directors and the company's leadership on August 23, 2024, with report No. 426/BC-TXLTK.MDFQT.

Based on the economic and technical norms - consumption per 1m3 of production, by each product thickness and product specific gravity, the volume of wood consumed in production in 2022 and 2023, the main reason for the discrepancy in raw material wood between book records and actual was primarily due to insufficient (under-recorded) consumption into the production cost in 2022 and 2023.

On January 24, 2024, the company submitted a proposal to the Board of Directors regarding the handling of post-inventory discrepancy data, but no policy for handling has been issued to date.

Once there is a conclusion approved by the competent authority, the company will proceed with the handling according to the content of the conclusion.

This is the explanation for the Financial Report for the first 6 months of 2025 of MDF VRG Quang Tri Wood Joint Stock Company.

Sincerely thank you!

**Recipients:**

- As above;
- Save: Office, Accounting Department.

**GENERAL DIRECTOR**



**Dương Tấn Thanh**

